

Message Text

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ORIGIN PM-04

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FM SECSTATE WASHDC

TO AMEMBASSY BONN IMMEDIATE

S E C R E T STATE 208142

E.O. 11652: XGDS-3

TAGS: ESTC, COCOM, PARM, GW, UR

SUBJECT: FRG REACTOR SALE TO SOVIET UNION

REF: BONN 12332

1. IN RESPONSE TO REFTEL REQUESTING US REASONING ON THE
CONDITIONS REQUESTED IN CONNECTION WITH THE KALININGRAD
REACTOR SALE, THE FOLLOWING RATIONALE IS PROVIDED.

2. IN EVALUATING THE STRATEGIC IMPLICATION OF THE PRO-
POSED REACTOR SALE TO THE USSR, TWO ELEMENTS ARE OF CON-
CERN, THE REACTOR AND THE FUEL.

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3. WITH REGARD TO THE REACTOR, THE PRIMARY CONCERNS ARE
WHETHER SUPPLY OF THE REACTOR ITSELF COULD SIGNIFICANTLY
CONTRIBUTE TO SOVIET MILITARY PROGRAMS EITHER DIRECTLY
THROUGH ITS ABILITY TO PRODUCE PLUTONIUM OR INDIRECTLY

THROUGH ASSOCIATED TECHNOLOGY WHICH WOULD BE USEFUL IN SOVIET NUCLEAR PROPULSION PROGRAMS. THE CONCLUSION WAS REACHED THAT (1) THE SOVIETS HAVE READILY AVAILABLE PRODUCTION REACTORS FOR PRODUCING WEAPONS GRADE PLUTONIUM AND (2) THE TECHNOLOGY INVOLVED WAS ALREADY FAIRLY WIDELY AVAILABLE. FOR THESE REASONS AND BECAUSE OF THE POSITIVE POLITICAL SIGNIFICANCE OF THIS SALE TO THE FRG AND TO THE WEST, IT WAS CONCLUDED THAT THE SALE SHOULD BE APPROVED AND WITHOUT REQUIRING SOVIET ACCEPTANCE OF SAFEGUARDS. HOWEVER, IT WAS FELT THAT A PEACEFUL USES GUARANTEE WOULD BE ADDED PROTECTION AND BE CONSISTENT WITH CONDITIONS FOR OTHER TRANSFERS WHICH INCLUDE A GUARANTEE OF PEACEFUL END USES.

4. WITH REGARD TO THE SUPPLY OF FUEL, URANIUM ITSELF IS AN EMBARGOED ITEM AND HAS NEVER BEEN SUPPLIED IN LARGE QUANTITIES TO SOVIET BLOC COUNTRIES. THE SOVIETS HAVE FOLLOWED A SIMILAR POLICY OF NOT EXPORTING SOVIET URANIUM TO THE WEST. THE LARGE AMOUNTS OF URANIUM TRANSFER ASSOCIATED WITH POTENTIAL FUTURE SALES OF REACTORS TO THE SOVIET UNION AND OTHER COCOM EMBARGOED COUNTRIES BY THE WEST, WE BELIEVE, COULD BE OF SIGNIFICANT STRATEGIC VALUE IN THE LONG RUN. THEREFORE THIS WOULD INDICATE THE GENERAL DESIRABILITY OF REQUIRING THE SOVIETS AND SOVIET BLOC COUNTRIES TO SUPPLY THEIR OWN URANIUM.

5. AS A SECOND POINT, ALTHOUGH THE PLUTONIUM PRODUCED FROM THE PROPOSED SALE OF THE POWER REACTOR WOULD NOT BE THE MOST DESIRABLE FOR WEAPONS PRODUCTION, IT STILL IS CAPABLE OF USE IN MILITARY WEAPONS, PARTICULARLY BY A NUCLEAR POWER WITH A SOPHISTICATED AND MATURE NUCLEAR WEAPONS PRODUCTION CAPABILITY. ALTHOUGH IT MAY BE ARGUED THAT THE SOVIETS WOULD NOT DELIBERATELY PLAN AT THIS POINT TO USE SUCH PRODUCED PLUTONIUM FOR WEAPONRY, IT MAY ALSO BE ARGUED THAT THE LIKELIHOOD BECOMES CONSIDERABLY HIGHER AS THE AMOUNT OF SUCH PLUTONIUM PRODUCED THROUGH THIS PROPOSED SALE AND POTENTIAL FUTURE SALES

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BECOMES LARGE.

6. TO GUARD AGAINST THIS POSSIBILITY, WE EXAMINED VARIOUS ALTERNATIVES SUCH AS RETURN TO THE WEST OF SPENT FUEL RODS OR AN EQUIVALENT AMOUNT OF PLUTONIUM AND REJECTED THESE AS EITHER PLACING AN UNDESIRABLE ECONOMIC AND LOGISTICS BURDEN ON WESTERN SUPPLIERS OR PROBABLY UNACCEPTABLE TO THE SOVIETS, OR BOTH. THUS THE CONCLUSION WAS REACHED THAT THE BEST ALTERNATIVE GIVEN BOTH OF ABOVE CONCERNS WAS TO SIMPLY REQUIRE THAT THE SOVIETS SUPPLY THE NATURAL URANIUM FUEL RATHER THAN THE FRG.

7. EMBASSY MAY DRAW ON THE ABOVE IN DISCUSSIONS WITH HERMES AND OTHER FRG OFFICIALS, AS APPROPRIATE, WHEN THE

SUBJECT OF THE KALININGRAD SALE COMES UP AGAIN.

8. FYI: EMBASSY SHOULD BE AWARE THAT DEPARTMENT INFORMALLY CONTACTED FRG FONOFF OFFICIALS (RANDERMANN AND ROGET) IN MAY PRIOR TO USG DECISION THROUGH FRG EMBASSY WASHINGTON ON ABOVE CONDITIONS, PEACEFUL USES ASSURANCES AND SOVIET SUPPLY OF URANIUM, AND WAS GIVEN IMPRESSION THAT CONDITIONS WOULD PROBABLY PRESENT NO MAJOR PROBLEMS. SPECIFICALLY ON THE QUESTION OF SOVIET VERSUS FRG FUEL SUPPLY, FRG OFFICIALS SAID THAT "IT APPEARS TO THE FRG THAT THE SOVIETS FOR ECONOMIC REASONS (FAVORABLE WESTERN PRICES FOR NATURAL URANIUM, AND INCLUSION OF FRG SUPPLIED NATURAL URANIUM IN FINANCING THE ENTIRE PROJECT) APPEARS TO BE INTERESTED IN GERMAN SUPPLY AS PART OF THE DEAL. SHOULD KWU SUPPLY NATURAL URANIUM, KWU WOULD NOT DEPEND ON AMERICAN SUPPLY, BUT WOULD MAKE USE OF OFFERS FROM OTHER WESTERN COUNTRIES. HOWEVER, IT APPEARS VERY POSSIBLE THAT THE SOVIET UNION WOULD BE WILLING TO PROVIDE ITS OWN FUEL, SHOULD THE ENTIRE PROJECT DEPEND ON THIS QUESTION." DEPARTMENT THEREFORE WONDERS IF FRG ATTITUDE REFLECTED IN REFTEL IS DUE TO LACK OF PROGRESS ON SALE OR REPRESENTS CHANGE IN ATTITUDE ON US CONDITIONS. EMBASSY THOUGHTS IN THIS REGARD WOULD BE APPRECIATED, KEEPING IN MIND THAT US POSITION ON URANIUM SUPPLY IS FIRM AND US IS THEREFORE NOT LOOKING TO NEGOTIATE THESE CONDITIONS OF SALE WITH FRG. END FYI ROBINSON

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